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Trump’s Canadian liquor ban fails to lift American whiskey sales

September data from 18 control states showed American whiskey volume slipping 0.1% after the ban began

Thursday, November 12, 2026



The Trump administration’s ban on Canadian liquor imports has hurt Canadian whisky sales in parts of the United States, but early sales data show it has not pushed drinkers toward American whiskey instead.

In September, Canadian whisky sales fell by more than 15,000 cases from a year earlier across the 18 U.S. states where government agencies control liquor sales, according to the National Alcohol Beverage Control Association. Over the same month, American whiskey volume slipped 0.1%, even as overall spirits volume in those states rose 3.2%.

The gains went to other categories. NABCA said canned cocktails rose nearly 29% and tequila increased 9.5% in September. Dollar sales for American whiskey edged up 0.8%, but the volume decline suggested the category did not capture the lost sales from Canadian whisky.

“There’s no benefit to American producers with the import ban,” Chris Swonger, president and chief executive of the Distilled Spirits Council of the United States, said in comments reported by Newsweek. DISCUS is the main trade group for the U.S. distilled spirits industry.

The figures point to a broader problem for the beverage business. A trade fight can remove bottles from shelves, but it does not necessarily redirect demand to domestic brands. Instead, it can reduce exports on both sides of the border, strain producers and retailers, and send consumers to different drinks altogether.

The U.S. import ban took effect at 12:01 a.m. on September 29 under Section 338 of the Tariff Act of 1930, a provision the White House said it was using after Canada “maintained and in fact increased its discrimination” against American alcohol. The move followed a 50% tariff imposed in August. President Donald Trump had argued in August that the United States had the stronger hand in the dispute, writing on social media that the country did not need Canada.

The first sales snapshot under the new policy is still incomplete. NABCA’s September report covers only two days after the ban began, meaning a fuller picture will depend on October figures expected in early December. Even so, the early result matches what the industry says has already happened in Canada.

In March 2025, most Canadian provinces pulled American wine and spirits from government-run liquor stores in response to Trump’s tariffs. Kentucky bourbon and other U.S. brands disappeared from many shelves. According to industry figures cited

by DISCUS, sales of Canadian-made spirits fell 6.3% in the first weeks of that boycott, despite the removal of U.S. competition. Swonger said provinces also lost revenue.

American producers took a direct hit. DISCUS said U.S. whiskey exports to Canada dropped 57% in 2025, falling to $33 million. Swonger said the industry’s broader loss of exports to Canada was 73%.

The two episodes, first in Canada and now in the United States, suggest that spirits buyers do not treat whisky categories as interchangeable. Canadian whisky must be made in Canada, just as bourbon must be made in the United States. When one category disappears or becomes harder to get, many drinkers do not simply replace it with another whisky. Some buy tequila. Others move to ready-to-drink canned cocktails.

That shift matters because American whiskey was already under pressure before the latest trade escalation. DISCUS said domestic sales of American whiskey fell 1.8% in 2024 and another 0.9% in 2025. In the control states, volume is down 3% over the past year. National wholesaler data released on October 27 also showed U.S. whiskey still declining through September.

The import ban also contains an important exception. Spirits shipped in containers larger than four liters are exempt, which has allowed Crown Royal, the best-selling Canadian whisky brand in the United States, to keep coming in bulk for bottling in the United States. Swonger described that carveout as positive because U.S. bottling jobs depend on that business. He said the two countries’ spirits industries are closely linked.

That structure means the biggest Canadian brand in the U.S. market can continue to flow while smaller distilleries face a harder blow. Producers that bottle in Canada and ship finished products have fewer workarounds. For many of those businesses, the U.S. market is critical. The industry sent about 93% of its spirits exports to the United States in the past year, according to the Newsweek report.

The dispute also exposes a mismatch between federal trade policy and how alcohol is actually sold in Canada. Ottawa is not currently imposing counter-tariffs on beer, wine or spirits, according to the report. The main barrier for U.S. alcohol is at the provincial

level, where governments or government-linked agencies control what stores can stock. Eight of Canada’s 10 provinces still were not buying American alcohol, the report said.

Saskatchewan, one of the two provinces still selling it, imposed a 50% levy on September 8, a measure the White House cited when it announced the U.S. ban. In British Columbia, Premier David Eby said in July that there was “not a chance in hell” that U.S. alcohol would return to store shelves in his province.

That means Washington’s policy is aimed at Ottawa, while the practical power over liquor sales remains largely with provincial leaders. For distillers, distributors and retailers, the result is continued uncertainty in a market that normally depends on long planning cycles and steady shelf access.

There were signs of a possible thaw on November 1, when Prime Minister Mark Carney said he had a constructive conversation with Trump and that negotiators would work toward a deal in the coming weeks. Trump also referred to the “concept” of an agreement.

For the alcohol industry, the timing is important. Swonger said the holiday season is the most important period of the year for spirits sales in both countries. If the dispute continues through that window, the damage could spread beyond Canadian whisky and American whiskey to wholesalers, provincial liquor systems, bottlers and hospitality businesses that rely on predictable supply and consumer choice.

The episode is also becoming a test of how far trade restrictions can reshape drinking habits. So far, the evidence from both countries suggests that taking bottles off the shelf has not translated into a clear gain for domestic whisky makers. Instead, the pressure has landed on exports, revenues and availability across the wider beverage alcohol market.